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March 31, 2006

VIA FACSIMILE AND U.S. MAIL

Mr. Jeff S. Jordan / Ms. *Kim Collins* ~~Alva DeJarnett-Miller~~
FEDERAL ELECTION COMMISSION
999 E Street NE
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF
GENERAL
COUNSEL
2006 APR 30 A 9:26

Re: Ashcroft 2000 / MUR 5716

Dear Ms. Miller / Mr. Jordan:

The undersigned represents Ashcroft 2000 (the "Committee") and Garrett Lott as treasurer of the Committee pursuant to Matter Under Review (MUR) 5716 and the request for investigation from William O'Malley dated February 19, 2006 and filed with the Federal Election Commission ("FEC"). We have previously forwarded to you a Designation of Counsel relative to MUR 5616 on behalf of the Committee and Garrett Lott as the Committee's treasurer.

The Committee and Garrett Lott request that this matter remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A).

BACKGROUND

This correspondence is submitted in response to the Complaint filed with the FEC by William O'Malley. As you may be aware, in 2004, Mr. O'Malley, filed several complaints against the Committee with the FEC ("MUR 5615" and "MUR 5298"), none of which had any substantive merit and were subsequently dismissed by the FEC and resolved by the Committee. The Complaint is simply another of Mr. O'Malley's continued baseless attacks on the Committee, without any basis in fact.

As we have previously informed the FEC with respect to MUR 5615 and MUR 5298, Mr. O'Malley is a disgruntled former employee of the Committee who has been repeatedly pursuing meritless claims and allegations against the Committee. To this end, Mr. O'Malley has repeatedly threatened (but failed to file or serve) civil lawsuits and sent repeated correspondence directed to both the Committee and our firm, as legal counsel for the Committee. Copies of this correspondence are part of the record with respect to MUR 5615 and/or MUR 5298.

Based on the prior statements and conduct of Mr. O'Malley, which has continued since calendar year 2001, the Complaint is nothing more than another attempt by Mr. O'Malley to harass the Committee, despite any evidence of wrongdoing by the Committee. The Complaint is politically motivated and wholly lacks merit and should be dismissed by the FEC immediately.

Recently (March 7, 2006), the Committee has received approval from the FEC to terminate its affairs. John Ashcroft has not been a candidate for federal office since 2000, and Mr. Lott as Treasurer of the Committee desires to terminate the Committee as soon as possible. Hence, the Committee respectfully requests that the FEC *expeditiously* dismiss this Complaint so termination may be completed and effected. We look forward to fully cooperating with the FEC in providing any and all information necessary to bring this matter to a close as quickly as possible.

FACTUAL ALLEGATIONS

The Complaint falsely alleges that the Committee owes money to the Internal Revenue Service ("IRS") due to Mr. O' Malley's (incorrect) assertion that he was improperly characterized as an independent contractor rather than an employee of the Committee during a particular period of time in calendar year 2000.

The Committee's Treasurer, Garrett M. Lott, has informed our office that he has consulted with the Committee's accountant, Larry Wolff of Wolff and Taylor, P.C. (St. Louis, Missouri), who has assured the Committee that the Committee's tax treatment of Mr. O' Malley, as well as the Committee's tax withholding and payment obligations to the IRS with respect to FICA, FUTA and any other obligations, have been at all times fully complied with applicable federal tax law. All amounts as properly withheld have been accurately and timely disclosed to the FEC on the Committee's Periodic Reports of Receipts and Disbursements as filed with the FEC with respect to the Committee's activities (the "Reports").

The Committee's accountant has further informed the Committee that it does not owe, and at no time has owed, any additional amounts to the IRS (or any other federal, state or local taxing authority) with respect to Mr. O' Malley (or any other employee or contactor of the Committee). Moreover, the Committee's Treasurer, Garrett M. Lott, has informed us that the Committee has at no time been the subject of an IRS audit, or received any correspondence from the IRS, which asserts that the Committee owes the IRS any amounts for unpaid and owing taxes, penalties or interest (whether for FICA, FUTA or any other amounts payments relative to Mr. O' Malley or any other Committee employee in 2000 or any other year).

Hence, Mr. O'Malley's assertions that the Committee owes any amounts to the IRS (or any other taxing authority) are incorrect; similarly, there no amounts claimed by the IRS (or any other taxing authority) to be owed by the Committee and "disputed" by the Committee. As such, there are *no* errors or omissions in any of the Committee's Reports as filed with the FEC with respect to the Committee's activities at any time, whether with respect to Schedule C or Schedule D of such Reports.

March 31, 2006

Because there are no amounts owed or claimed to be owed to the IRS (for FICA, FUTA or any other amounts) or any other taxing authority by the Committee, whether as an established or disputed debt, the Committee has not violated the Act's reporting requirements and, as such, the Complaint should be dismissed in its entirety.

CONCLUSION

The Committee unequivocally denies that it has willfully or intentionally violated the Act in any manner whatsoever. As with his many prior complaints, this Complaint is purely motivated by Mr. O'Malley's animus toward the Committee and, as such, should be dismissed out of hand as frivolous and filed in bad faith.

Based on the foregoing, the allegations that the Committee violated federal law should be dismissed in their entirety. The Complaint provides no basis for FEC consideration of any of the issues raised, and the Committee requests the FEC to take no further action on this politically motivated request. The Committee is confident that these allegations lack merit and is dedicated to complying with the Act in all respects and is ready, willing and able to provide any further assistance the Commission may request on this matter.

We look forward to a prompt and expeditious resolution of this matter, so the Committee may proceed with its termination of registration with the FEC. Please direct all correspondence in this matter to the undersigned at the address indicated on the first page of this letter. Thank you.

Sincerely,



Tony P. Trimble
Matthew W. Haapoja
vmh

enc.

cc: Garrett Lott, Treasurer, Ashcroft 2000 (w/o encl.)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MS-K

March 7, 2006

Garrett M. Lott, Treasurer
Ashcroft 2000
147 N Merimec, Suite 100
St. Louis, MO 63105

Identification Number: C00319285

Reference: Termination Report (10/1/05 - 12/31/05)

Dear Mr. Lott:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the reports(s). An itemization follows

-Commission Regulations require the continuous reporting of all outstanding debts. This report indicates an omission of debts itemized on your previous report(s). (11 CFR §§104.3(d) and 104.11) Please file an amendment to your report to disclose the current status of these omitted debts:

William O'Malley: \$6,498.68

Please note that your committee's filing has been accepted as a termination. Your committee is no longer required to file any future reports on a periodic basis. However, 2 U.S.C. §432(d) and Sections 102.9(c) and 104.14(b)(3) of the Commission's Regulations require that you maintain your records and copies of reports for inspection for at least three (3) years. In addition, you may be required to respond to Commission requests for information regarding your committee's federal election activity and previously filed reports.

If your committee again becomes active in federal elections, it will be required to re-register with the Commission in accordance with the Federal Election Campaign Act and applicable Regulations. Your committee will be treated as a new entity by the Commission and should register as a new committee on FEC FORM 1, pursuant to 2 U.S.C. §§432(g) and 433(a).

An amendment or clarification to this report should be filed with the Federal Election Commission. Electronic filers must file amendments (to include statements,

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designations, and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you have any questions concerning your status and requirements, please contact the Reports Analysis Division on the toll-free number, (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division). My local number is (202) 694-1155.

Sincerely,



Vicki Hubbard
Senior Campaign Finance Analyst
Reports Analysis Division

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